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Barksdale Forward, Inc.

Financial Statements

(Cash Basis)

Years Ended December 31, 2001 and 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/20/02



ROBERTSON, BAILES & McCLELLAND L.L.P.
Accountants and Consultants



Barksdale Forward, Inc.



Financial Statements (Cash Basis)

Years Ended December 31, 2001 and 2000

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ROBERTSON, BAILES & MCCLELLAND LLP

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666 TRAVIS STREET, SUITE 800 • SHREVEPORT, LA 71101-3094

318 221-3615 • 888 221-3615 • FAX 318 425-2904 • E-MAIL rbm1@rbm.com • INTERNET <http://www.rbm.com>

Independent Auditors' Report

To the Board of Directors
Barksdale Forward, Inc.
Shreveport, Louisiana

We have audited the accompanying statements of assets, liabilities and net assets (cash basis) of Barksdale Forward, Inc. (a nonprofit organization) as of December 31, 2001 and 2000, and the related statements of support, revenue and expenses and changes in net assets (cash basis) for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

These financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Barksdale Forward, Inc. as of December 31, 2001 and 2000, and its support, revenue and expenses, and the changes in its net assets for the years then ended, on the basis of accounting described in the Summary of Accounting Policies.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 17, 2002 on our consideration of Barksdale Forward, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Robertson, Bailes & McClelland LLP

September 17, 2002

Barksdale Forward, Inc.

Statements of Assets, Liabilities and Net Assets (Cash Basis)

<i>December 31,</i>	2001	2000
Assets		
Current - Cash and cash equivalents (Notes 1 and 2)	\$251,954	\$234,833
	\$251,954	\$234,833
Liabilities and Net Assets		
Current liabilities - Withheld payroll taxes	\$ 700	\$ 532
Net assets – Unrestricted	251,254	234,301
	\$251,954	\$234,833

See accompanying summary of accounting policies and notes to financial statements.

Barksdale Forward, Inc.

Statements of Support, Revenue and Expenses and Changes in Net Assets (Cash Basis)

<i>Years Ended December 31,</i>	2001	2000
Changes in unrestricted net assets:		
Support and revenues:		
City funding (Note 3)	\$200,000	\$231,250
Interest	5,216	7,767
Total support and revenues	205,216	239,017
Program expenses:		
Consultant and expenses	96,000	90,150
Salaries and wages	31,096	33,750
Travel and entertainment	9,179	3,136
Payroll taxes	3,033	2,675
Meetings and special events	1,516	4,640
Insurance	868	664
Total program expenses	141,692	135,015
Management and general:		
Salaries and wages	31,096	33,750
Office and equipment rental	5,196	5,196
Payroll taxes	3,033	2,675
Professional fees	2,967	3,441
Office expenses	2,132	415
Insurance	868	664
Dues and subscriptions	830	746
Miscellaneous	449	22
Total management and general	46,571	46,909
Increase in unrestricted net assets	16,953	57,093
Net assets, beginning of year	234,301	177,208
Net assets, end of year	\$251,254	\$234,301

See accompanying summary of accounting policies and notes to financial statements.

Barksdale Forward, Inc.

Summary of Accounting Policies

Summary of Accounting Policies

This summary of accounting policies of Barksdale Forward, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for their integrity and objectivity. These accounting policies conform to the cash basis of accounting and have been consistently applied in the preparation of the financial statements.

Nature of Business

Barksdale Forward, Inc. was incorporated and began operations May 1, 1994. Barksdale Forward, Inc. is a nonprofit organization working for the development and promotion of Barksdale Air Force Base by educating the community about the social, cultural, and economic benefits of Barksdale Air Force Base. It also works within the framework of the Department of Defense as an educational entity describing the benefits to be obtained by continuing and building on the historical relationship between Barksdale Air Force Base and the Shreveport/Bossier communities.

Method of Accounting

The Organization's policy is to prepare financial statements on the cash receipts and disbursements method of accounting (cash basis); consequently, certain revenues are recognized when cash is received rather than when earned and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Financial statements prepared on this basis of accounting are not intended to present financial position and results of operation in accordance with accounting principles generally accepted in the United States of America.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and exempt from state income tax under appropriate provisions in the laws of the State of Louisiana. The Organization is treated as a publicly supported organization, and not as a private foundation. There was no unrelated business income for the year ended December 31, 2001 and 2000. Accordingly, no provision for income taxes has been made in the financial statements.

Functional Expenses

Expenses are charged directly to program services or management and general expenses in general categories based on specific identification. Payroll and related expenses are allocated equally to program services and management and general expenses.

Barksdale Forward, Inc.

Notes to Financial Statements

- 1. Cash**

Included in cash as of December 31, 2001 and 2000 are interest bearing accounts totaling \$251,954 and \$234,833, respectively.
- 2. Concentrations of Credit Risk**

During the year ended December 31, 2001 and 2000, the Organization maintained its cash balances at a financial institution and an investment brokerage company located in Shreveport, Louisiana. Each of these balances are insured up to \$100,000. The Organization's uninsured cash balances totaled \$51,954 and \$34,833 as of December 31, 2001 and 2000, respectively.
- 3. Funding Sources**

The organization received virtually all of its funding from the cities of Shreveport and Bossier City, Louisiana during 2001 and 2000.
- 4. Related Party Transactions**

The Organization has no permanent office location of its own. It is the practice of the Organization to reimburse its President and Chief Operating Office for a pro-rata amount of his office rent and overhead costs. The rent and overhead allocation paid in years ended December 31, 2001 and 2000, was \$5,196 and \$5,196, respectively.

The Organization paid professional fees to a partnership of which a board member is a partner. Fees paid in years ended December 31, 2001 and 2000 were \$867 and \$1,251, respectively.



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Independent Auditors' Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Barksdale Forward, Inc.
Shreveport, Louisiana

We have audited the financial statements of Barksdale Forward, Inc. as of and for the year ended December 31, 2001 and have issued our report thereon dated September 17, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to Barksdale Forward, Inc. is the responsibility of the Organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the board of directors, management and the Louisiana State Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Robertson, Bailes & McClelland LLP

September 17, 2002



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Independent Auditor's Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Barksdale Forward, Inc.
Shreveport, Louisiana

We have audited the financial statements of Barksdale Forward, Inc. as of and for the year ended December 31, 2001 and have issued our report thereon dated September 17, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Barksdale Forward, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with auditing principles generally accepted in the United States of America. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Barksdale Forward, Inc. as of and for the year ended December 31, 2001 we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one

The Board of Directors
Barksdale Forward, Inc.

or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of the board of directors, management and the Louisiana State Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Robertson, Bailey & McClelland LLP

September 17, 2002